

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7587

BILL NUMBER: HB 1605

DATE PREPARED: Jan 17, 1999

BILL AMENDED:

SUBJECT: Job training tax credit.

FISCAL ANALYST: Brian Tabor

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

STATE IMPACT	FY 1999	FY 2000	FY 2001
State Revenues			(250,000)
State Expenditures			
Net Increase (Decrease)			(250,000)

Summary of Legislation: This bill establishes a one year pilot program in St. Joseph County that provides income tax credits for training programs provided by or paid for by employers for their employees. It limits the credit to \$500 per employee and to \$250,000 for all taxpayers.

Effective Date: January 1, 2000.

Explanation of State Expenditures: This bill would create a tax credit for employers in St. Joseph County that pay for work-based learning programs for their employees. The programs must be designed to teach vocational skills or to help employees obtain a GED. The Department of Revenue must develop forms for the reporting of this credit and would incur related processing, printing, and computer programming expenses. These costs could be absorbed within the Department's current budget.

The Department of Workforce Development would also incur some administrative costs associated with this proposal. The Department would be required to establish program standards and certify qualified expenditures before any credits could be granted.

Explanation of State Revenues: Under this bill, a business could receive a credit of up to \$500 for each worker participating in an employer-sponsored learning program. The total amount of credits that may be

issued under this proposal is \$250,000. These credits could be taken against the gross income tax, adjusted gross income tax, or supplemental net income tax liability. If the credit exceeds the taxpayer's total state liability in one year, the excess may not be carried over. Unused credits would not be refundable.

Individual and corporate income taxes are distributed to the General Fund and the Property Tax Replacement Fund. This bill could impact tax collections beginning in FY 2001.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Revenue, Department of Workforce Development.

Local Agencies Affected:

Information Sources: Department of Revenue.